

# Memorandum

**REPORT TO:** City Commission

**FROM:** Griffin Nielsen, Project Engineer  
Jill Miller, Water Treatment Plant Superintendent  
Shawn Kohtz, Utilities Director

**SUBJECT:** Authorize the City Manager to Sign Amendment 1 to the Professional Services Agreement with Advanced Engineering and Environmental Services, LLC for the Sourdough Water Treatment Facility Plan and South Pressure Zone Study

**MEETING DATE:** July 15, 2025

**AGENDA ITEM TYPE:** Agreement - Vendor/Contract

**RECOMMENDATION:** Authorize the City Manager to Sign Amendment 1 to the Professional Services Agreement with Advanced Engineering and Environmental Services, LLC for the Sourdough Water Treatment Facility Plan and South Pressure Zone Study.

**STRATEGIC PLAN:** 4.3 Strategic Infrastructure Choices: Prioritize long-term investment and maintenance for existing and new infrastructure.

**BACKGROUND:** The Sourdough Water Treatment Facility Plan (SWTFP) and the South Pressure Zone Study (SPZS), identified in the City's Capital Improvements Plan as Project Number W141, are needed to provide a roadmap for capital replacement and expansion associated with Bozeman's Sourdough Water Treatment Plant and new water distribution service area south of Blackwood Road.

The SWTFP focuses on planning for the long-term maintenance, capacity upgrades, and expansion needs of the Sourdough Water Treatment Plant, as well as the transmission and storage facilities for both the Sourdough and Hyalite water supplies. This plan is essential for guiding investments over a 20-year planning horizon to ensure continued reliable service and to accommodate future growth.

The SPZS expands on the City's 2017 Water Facility Plan Update by providing a detailed evaluation of expansion into a new water service area south of the current limits of the City's municipal distribution system. Although the 2017 Plan identified the need for future service areas to accommodate anticipated growth, it did not include a specific analysis for implementation south of Blackwood Road.

Since the scopes of the SWTFP and SPZS overlap, the City has combined both efforts under a single contract to ensure coordinated planning and more effective recommendations. The work is being completed in phases to support an informed approach.

Phase 1 of the project established the basis of planning for both the SWTFP and SPZS and included an evaluation of transmission and storage needs for the Sourdough and Hyalite water sources. Building on this foundation, Phase 2 will focus on developing a master plan for the Sourdough plant site, assessing treatment process needs, and creating a comprehensive Capital Improvement Plan to support the plant over the 20-year horizon and guide expansion into the South Pressure Zone.

The City's [professional services agreement \(PSA\)](#) with AE2S currently covers the full scope of the SPZS and Phase 1 of the SWTFP. With these components nearing completion, the City is prepared to begin Phase 2. Amendment No. 1 to the PSA expands the scope of work to include Phase 2. A detailed breakdown of the additional services is provided in the attached amendment.

**UNRESOLVED ISSUES:** None

**ALTERNATIVES:** As suggested by the Commission

**FISCAL EFFECTS:** Amendment No. 1 adds a cost of \$191,577 to complete the Phase 2 scope, bringing the total project costs to \$433,485. Budget authorization for a total of \$455,000 was provided in fiscal year 2025 for the combined Phase 1 and Phase 2 work. A roll forward budget amendment to move the remaining funds into fiscal year 2026 was completed with the recent fiscal year 2026 budget adoption.

Attachments:

[Amendment 1\\_PSA\\_AE2S\\_WTFP\\_Phase2.docx](#)

Report compiled on: July 3, 2025